# Federal District Court Holds Puerto Rico Law 80 on Severance Plans Completely Pre-Empted by ERISA

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A participant in a severance plan sued her employer for income tax withholding amounts in contravention of Puerto Rico's Law 80. Law 80 prescribes the amount of severance that must be paid to employees in Puerto Rico and further provides that it is not subject to Puerto Rico income tax withholding. The U.S. Federal District Court held that her claim was completely pre-empted by ERISA because the severance plan in question was an ERISA plan. The court would have had to interpret the terms of the plan to determine whether the severance benefits it provided conflicted with Law 80. As such, Law 80 "related" to the plan and was thus pre-empted. *Colon-Rodriguez v. Astra/Zeneca Pharmaceuticals, LP*, No. 3:11-cv-01495-FAB (D.P.R. Dec. 13, 2011).